

SENATE BILL 289

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2004 Regular Session
4r1503
CF 4r2263

By: **Senators Kramer, DeGrange, Forehand, Hogan, Lawlah, Munson,
Ruben, and Stoltzfus Stoltzfus, Britt, Jones, Middleton, Brochin,
Klausmeier, and Grosfeld**

Introduced and read first time: January 30, 2004
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted with floor amendments
Read second time: March 26, 2004

CHAPTER _____

1 AN ACT concerning

2 **Higher Education - Community Colleges - Funding**

3 FOR the purpose of declaring the intent of the General Assembly to restore full
4 funding ~~in a certain fiscal year~~ for the formula that determines the State
5 appropriation for Baltimore City Community College and the Senator John A.
6 Cade Funding Formula ~~under certain circumstances~~.

7 ~~BY repealing and reenacting, without amendments,~~
8 ~~Article Education~~
9 ~~Section 16-305(e) and 16-512(a)~~
10 ~~Annotated Code of Maryland~~
11 ~~(2001 Replacement Volume and 2003 Supplement)~~

12 ~~SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF~~
13 ~~MARYLAND, That the Laws of Maryland read as follows:~~

14 **~~Article Education~~**

15 ~~16-305:~~

16 (e) (1) (i) ~~The total State operating fund per full-time equivalent student~~
17 ~~to the community colleges for each fiscal year as requested by the Governor shall be:~~

18 1. ~~In each of fiscal years 2003 and 2004, not less than an~~
19 ~~amount equal to 23.1% of the State's General Fund appropriation per full-time~~
20 ~~equivalent student to the 4-year public institutions of higher education in the State~~

1 (ii) The dollar amount per full-time equivalent student shall be
 2 calculated by dividing 60% of the total State operating fund for the fiscal year by the
 3 total number of full-time equivalent students at community colleges statewide.

4 (iii) In determining the marginal costs component for a board, the
 5 number of full-time equivalent students at all campuses and colleges operated by the
 6 board shall be added together.

7 (6) (i) The size factor component shall be a set percentage of the year's
 8 total State operating fund as follows:

- 9 1. For fiscal year 1998, 4% of total funding;
- 10 2. For fiscal year 1999, 3% of total funding; and
- 11 3. For fiscal year 2000 and each fiscal year thereafter, 2% of
 12 total funding.

13 (ii) The funds available for the size factor component shall be
 14 divided and distributed equally to each board that operates a community college or
 15 colleges at which the total number of full-time equivalent students is less than or
 16 equal to 80% of the statewide median.

17 (iii) In determining the eligibility of a board for a size factor
 18 component, the number of full-time equivalent students at all campuses and colleges
 19 operated by the board shall be added together.

20 (7) (i) A board shall be eligible for a hold harmless component
 21 beginning in fiscal year 1998 if the sum of the board's fixed costs, marginal costs, and
 22 size factor components for the fiscal year is less than the board's total State share in
 23 the prior fiscal year.

24 (ii) The hold harmless component amount shall be determined by
 25 subtracting the sum of an eligible board's fixed costs, marginal costs, and size factor
 26 components for the fiscal year from the board's total State share for the prior fiscal
 27 year.

28 (8) Any employer Social Security contributions required by federal law
 29 for any employee of a board of community college trustees shall remain the obligation
 30 of the employer.

31 (9) The State contribution to retirement and fringe benefit costs is not
 32 included in the calculations of amounts under this subsection.

33 ~~16-512.~~

34 (a) (1) The total State operating fund per full-time equivalent student
 35 appropriated to Baltimore City Community College for each fiscal year as requested
 36 by the Governor shall be:

1 (i) In each of fiscal years 2003 and 2004, not less than an amount
2 equal to 60.9% of the State's General Fund appropriation per full-time equivalent
3 student to the 4-year public institutions of higher education in the State as
4 designated by the Commission for the purpose of administering the Joseph A.
5 Sellinger Program under Title 17 of this article in the previous fiscal year;

6 (ii) In fiscal year 2005, not less than an amount equal to 63.4% of
7 the State's General Fund appropriation per full-time equivalent student to the
8 4-year public institutions of higher education in the State as designated by the
9 Commission for the purpose of administering the Joseph A. Sellinger Program under
10 Title 17 of this article in the previous fiscal year; and

11 (iii) In fiscal year 2006 and each fiscal year thereafter, not less than
12 an amount equal to 66% of the State's General Fund appropriation per full-time
13 equivalent student to the 4-year public institutions of higher education in the State
14 as designated by the Commission for the purpose of administering the Joseph A.
15 Sellinger Program under Title 17 of this article in the previous fiscal year.

16 (2) For purposes of this subsection, the State's General Fund
17 appropriation per full-time equivalent student to the 4-year public institutions of
18 higher education in the State for the previous fiscal year shall reflect any
19 amendments or reductions to the appropriation for the previous fiscal year.

20 Preamble

21 WHEREAS, The Senator John A. Cade Funding Formula and the Baltimore
22 City Community College have not been fully funded since 2002; and

23 WHEREAS, Due to a combination of formula reductions and tremendous
24 enrollment growth, Maryland community colleges are receiving less funding per
25 student than they did 2 years ago; and

26 WHEREAS, Projections show that enrollment at community colleges will grow
27 significantly over the next decade; and

28 WHEREAS, Community colleges are an important part of the economic activity
29 in this State; and

30 WHEREAS, Community colleges supply the largest share of new nurses and
31 other health professionals and have attempted to meet the increasing demand for
32 higher education for health care professionals, even as their State funds have been
33 reduced in recent years; and

34 WHEREAS, There is a social and economic benefit to ensuring that community
35 colleges remain affordable and accessible to residents of this State; now, therefore,

36 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY, That it is the
37 intent of the General Assembly to recognize the important role of community colleges
38 in providing higher education to the residents of this State.

1 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the
2 General Assembly that, ~~in addition to the appropriations required in §§ 16-305(e) and~~
3 ~~16-512(a) of the Education Article, the Governor shall include in the State budget for~~
4 ~~fiscal year 2005 an appropriation of \$1,391,989 for the Baltimore City Community~~
5 ~~College and \$6,106,660 for the Senator John A. Cade Funding Formula in order to~~
6 restore full funding for the formula that determines the State appropriation for
7 community colleges.

8 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 July 1, 2004.